Task Force to Review Cooperative Banks

2692. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) whether RBI has constituted a task force to review the functioning of cooperative banks in the country;

(b) if so, the composition of the task force and the time by which it would submit its recommendations to Government;

(c) whether Government have found bottlenecks in the functioning of cooperative banks throughout the country; and

(d) if so, the details thereof and what other steps have been taken to improve the functioning of cooperative banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) to (d) Government had set up a Task Force in April, 1999 under the Chairmanship of Shri Jagdish Capoor, Deputy Governor, Reserve Bank of India to study the functioning of co-operative banks and to suggest package for their revival/restructuring. The other members of the Task Force are Managing Director, National Bank for Agriculture and Rural Development (NABARD) and Joint Secretaries in the Ministries of Finance (Banking) and Agriculture, Government of India. The report of the Task Force is in the advance stage of finalisation. Further action will be taken after the report of the Committee is received.

Credit Guarantee Scheme for SSI

2693. SHRI RAJNATH SINGH SURYA : Will the Minister of FINANCE be pleased to state :

(a) whether there is a credit guarantee scheme for small scale industries under consideration;

(b) if so, the details thereof;

(c) in what manner it will benefit SSIs; and

(d) whether it will generate more employment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) to (d) As announced in the Budget Speech for the financial year 2000-2001 the Credit Guarantee Scheme for Small Scale Industries (SSI) with a budget provision of Rs. 100 crore is proposed to be

launched under the aegis of Ministry of SSI and ARI in collaboration with Small Industries Development Bank of India (SIDBI). The scheme *inter-alia* will cover loans upto Rs. 10 lakhs from the Banking Sector.

The scheme is likely to enhance flow of Credit to Small Scale Sector and help in overall growth of this sector including employment generation.

Interest Free loans to Co-operative Banks in Andhra Pradesh

2694. DR. Y. LAKSHMI PRASAD : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to grant interest free loans to cooperative banks in Andhra Pradesh as requested by the State Government; and

(b) if so, the details thereof and by when it is likely to be granted?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) No, Sir. There is no such proposal to grant interest free loans to cooperative banks in Andhra Pradesh.

(b) Does not arise in view of (a) above.

Computerisation of Banks in Meghalaya

2695. SHRI ONWARD L. NONGTDU : Will the Minister of FINANCE be pleased to State :

(a) whether computerisation and internet services have been made in all branches of nationalised and rural banks in Meghalaya;

(b) if so, the details thereof;

(c) if not, by when the above facilities are likely to be provided in these banks; and

(d) the steps being taken/proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) and (b) Reserve Bank of India (RBI) has reported that eight public sector banks have thirteen computerised branches in Meghalaya and they do not provide Internet services. The KA Bank Nongkyndong Ri Khasi Jaintia, the only rural bank functioning in Meghalaya, has reported that till date none of its banches are computerised.